ABM INDUSTRIES INC /DE/
Form 8-K
December 10, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d)**

**OF THESECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): December 9, 2013**

**ABM Industries Incorporated**

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware** | **1-8929** | **94-1369354** |
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

**551 Fifth Avenue, Suite 300**

| | |
|---|---|
| **New York, New York** | **10176** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant s telephone number, including area code: (212) 297-0200**

**N/A**

**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On December 9, 2013, ABM Industries Incorporated (the Company ) issued a press release announcing financial results related to fiscal year 2013 and the fourth quarter of fiscal year 2013. A copy of the press release is attached as Exhibit 99.1, which is incorporated into this item by reference.

**Item 8.01. Other Events.**

On December 9, 2013, the Company announced that the Board of Directors of the Company declared a quarterly dividend of $0.155 per share, payable on February 3, 2014 to stockholders of record on January 2, 2014. A copy of the press release announcing the declaration of the dividend is attached as Exhibit 99.1, which is incorporated into this item by reference.

As disclosed in the press release attached as Exhibit 99.1, the Company will hold a live web cast on December 10, 2013 relating to the Company s financial results for the fourth quarter of fiscal year 2013. A copy of the slides to be presented at the Company s web cast and discussed in the conference call relating to such financial results is being furnished as Exhibit 99.2 to this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

| | |
|---|---|
| 99.1 | Press Release issued by ABM Industries Incorporated, dated December 9, 2013, announcing financial results related to fiscal year 2013 and the fourth quarter of fiscal year 2013, the declaration of a dividend payable February 3, 2014 to stockholders of record on January 2, 2014. |
| 99.2 | Slides of ABM Industries Incorporated dated December 10, 2013. |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABM INDUSTRIES INCORPORATED

Dated: December 9, 2013

By: /s/ Sarah H. McConnell
Sarah H. McConnell
Senior Vice President and General Counsel

## EXHIBIT INDEX

99.1 Press Release issued by ABM Industries Incorporated, dated December 9, 2013, announcing financial results related to fiscal year 2013 and the fourth quarter of fiscal year 2013, and the declaration of a dividend payable February 3, 2014 to stockholders of record on January 2, 2014.

99.2 Slides of ABM Industries Incorporated dated December 10, 2013.

ng a later date. The proxy may also be revoked by a stockholder attending the Meeting, withdrawing the proxy and voting in person.

The expense of preparing, printing and mailing the form of proxy and the material used in the solicitation thereof will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by the directors, officers and regular employees of the Company (who will receive no additional compensation therefore) by means of personal interview, telephone or facsimile. It is anticipated that banks, brokerage houses and other institutions, custodians, nominees, fiduciaries or other record holders will be requested to forward the soliciting material to persons for whom they hold shares and to seek authority for the execution of proxies; in such cases, the Company will reimburse such holders for their charges and expenses.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The close of business on April 2, 2002 has been fixed as the record date for determination of the stockholders entitled to notice of, and to vote at, the Meeting. On that date there were outstanding and entitled to vote 8,323,689 shares of common stock, par value $.10 per share, of the Company (the Common Stock ) each of which is entitled to one vote on each matter at the Meeting.

Pursuant to the Company s Bylaws, directors will be elected by a majority of the votes cast at the Meeting and the proposal to approve the appointment of the independent auditors for 2002 will require a majority of the votes cast at the Meeting.

The presence, in person or by properly executed proxy, of the holders of shares of Common Stock entitled to cast a majority of all the votes entitled to be cast at the Meeting is necessary to constitute a quorum. Holders of shares of Common Stock represented by a properly signed, dated and returned proxy will be treated as present at the Meeting for purposes of determining a quorum. Proxies relating to street name shares that are voted by brokers will be counted as shares present for purposes of determining the presence of a quorum but will not be treated as votes cast at the Meeting as to any proposal as to which the brokers abstain.

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**Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information as of March 27, 2002, with respect to the persons or groups (as those terms are used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act )), believed by the Company to be the beneficial owners of more than 5% of the outstanding Common Stock, by certain executive officers, directors, nominees for director and by all directors and certain executive officers as a group.

| Name and Address | Amount and Nature of Shares of Common Stock Beneficially Owned | Percent of Class (1) |
| --- | --- | --- |
| Albert J. Montevecchio<br>20 Fairfield Drive<br>Fairport, New York 14450 | 717,456(2) | 8.6% |
| JO & Co<br>Box 1655<br>South Bend, Illinois 46634 | 420,500(3) | 5.1% |
| Summit Capital Management, LLC<br>601 Union Street, Suite 3900<br>Seattle, Washington 98101 | 570,000(4) | 6.8% |
| John E. Gould | 48,183(5) | * |
| William J. Reilly | 52,383(6) | * |
| James R. Scielzo | 30,000(7) | * |
| David G. Mazzella | 565,800(8) | 6.8% |
| Paul T. Babarik | 127,650(9) | 1.5% |
| Richard Elzinga | 340,974(10) | 4.1% |
| Ronald C. Lundy | 43,283(11) | * |
| Douglas F. Smith | 37,304(12) | * |
| All Directors and Executive Officers as a Group (8 Individuals) | 1,245,577(13) | 15.0% |

* Indicates less than 1.0%.

(1) Based on the number of shares of Common Stock outstanding as of March 27, 2002, which was 8,323,689 shares of Common Stock.

(2) Includes 196,856 shares of Common Stock owned by Montevecchio Associates, a limited partnership of which Albert J. Montevecchio is a General Partner.

(3) A State of Indiana Partnership.

(4) Based upon a Statement on Schedule 13G filed with the SEC that indicated that (i) John C. Rudolf has sole voting and dispositive power with respect to 230,000 shares of Common Stock and shares voting and dispositive power with respect to 340,000 shares of Common Stock; (ii) Summit Capital Management, LLC shares voting and dispositive power with respect to 570,000 shares of Common Stock; and (iii) Summit Capital Partners, LP beneficially owns 340,000 shares of Common Stock.

(5)

Includes 40,000 shares of Common Stock Mr. Gould has the right to acquire pursuant to exercisable options under the Option Plan and 3,183 shares of Common Stock Mr. Gould has the right to acquire upon exercise of a warrant.

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(6) Includes 40,000 shares of Common Stock Mr. Reilly has the right to acquire pursuant to exercisable options under the Option Plan and 3,183 shares of Common Stock Mr. Reilly has the right to acquire upon exercise of a warrant.

(7) Includes 30,000 shares of Common Stock Mr. Scielzo has the right to acquire pursuant to exercisable options under the Option Plan.

(8) Includes 550,000 shares of Common Stock Mr. Mazzella has the right to acquire pursuant to exercisable options under the Option Plan.

(9) Includes 112,500 shares of Common Stock Mr. Babarik has the right to acquire pursuant to exercisable options under the Option Plan.

(10) Includes 25,000 shares of Common Stock Mr. Elzinga has the right to acquire pursuant to exercisable options under the Option Plan.

(11) Includes 40,000 shares of Common Stock Mr. Lundy has the right to acquire pursuant to exercisable options under the Option Plan.

(12) Includes 33,000 shares of Common Stock Mr. Smith has the right to acquire pursuant to exercisable options under the Option Plan.

(13) Includes 870,500 shares of Common Stock the directors and executive officers have the right to acquire pursuant to exercisable options under the Option Plan and 6,366 shares of Common Stock upon exercise of warrants.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

**Nominees**

At the Meeting, four directors, comprising the entire membership of the Board of Directors of the Company, are to be elected. Each elected director will serve until the Company s next Annual Meeting of Stockholders and until a successor is elected and qualified.

The Company s directors recommend a vote **FOR** the four nominees listed below. Except where authority to do so has been withheld, the shares of Common Stock represented by the enclosed Proxy will be voted **FOR** the election as directors of the four nominees named below. All of the nominees are members of the present board and were elected at the Company s 2001 Annual Meeting of Stockholders. If any nominee becomes unavailable to stand for re-election or to serve for any reason or if a vacancy on the board occurs before the election (which events are not anticipated), the holders of the Proxy may vote for such other person in accordance with their best judgment.

| Name of Nominee | Age | Principal Occupation For Past Five Years | Director Since |
|---|---|---|---|
| John E. Gould | 57 | For more than five years, a partner in Gould & Wilkie, LLP, a general practice law firm located in New York City. Mr. Gould is also Chairman of the American Geographical Society, a Director and Vice President of The Harvard Club of New York City, and a Director of the Gerber Life Insurance Company. | 1997 |
| David G. Mazzella | 61 | President of the Company since February 1997. Chief Executive Officer of the Company since June 1997. Chief Operating Officer of the Company from February 1997 until June 1997. Chairman of the Board of the Company since December 1999. From June 1994 to February 1997, engaged in management consulting. | 1997 |
| William J. Reilly | 53 | Chief Operating Officer of Checkpoint Systems, Inc., a manufacturer and distributor of systems for electronic article surveillance, electronic access control, closed circuit television and radio frequency identification for more than five years. | 1997 |
| James R. Scielzo | 59 | Retired. For the five years preceding his retirement in 1999, Mr. Scielzo was Senior Vice President and Chief Technology Officer for Young & Rubicam Inc., a global corporate communications, advertising, direct marketing, sales promotion, and public relations firm. | 1999 |

**Other Directorships and Trusteeships**

None of the Directors and nominees to the Company s Board of Directors serve on the Boards of Directors or the Boards of Trustees of any other publicly-held companies.

**Committees and Meeting Data**

During 2001, the full Board of Directors held seven meetings. The Audit Committee of the board, consisting of Messrs. Gould, Reilly and Scielzo, which is responsible for evaluating audits performed

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by the Company s independent auditors and for reviewing the Company s internal accounting principles and controls, met three times during the year. The Compensation and Stock Option Committee of the board, consisting of Messrs. Gould, Reilly and Scielzo, which reviews and sets compensation for the Company s officers and approves grants of stock options to employees, including officers, met six times during 2001. The Executive Committee, consisting of Messrs. Gould, Mazzella and Reilly, has authority to act on behalf of the full Board of Directors during intervals between meetings of the full board. The Executive Committee did not meet in 2001. The board has a Nominating Committee, consisting of Messrs. Gould, Mazzella and Scielzo, which did not meet during 2001. The Nominating Committee will consider recommendations for director submitted by stockholders to the Company s Secretary, and will recommend nominees in the event of any vacancy on the Board.

During 2001, all directors nominated for re-election attended 100% of the board meetings or meetings of committees of which they were members.

*Audit Committee Report.* The Audit Committee of the Board of Directors is responsible for providing independent, objective oversight of the Company s accounting functions and internal controls. The Audit Committee is composed of three directors, Messrs. Gould, Reilly and Scielzo, each of whom is independent and meets the requirements of the National Association of Securities Dealers. The Audit Committee operates under a written charter approved by the Board of Directors, a copy of which is attached as Exhibit A.

Management is responsible for the Company s financial reporting process including its system of internal control, and for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States. The Company s independent auditors are responsible for auditing those financial statements. Our responsibility is to monitor and review these processes. It is not our duty or our responsibility to conduct auditing or accounting reviews or procedures. We are not employees of the Company and we may not be, and we may not represent ourselves to be or to serve as, accountants or auditors by profession or experts in the fields of accounting or auditing. Therefore, we have relied, without independent verification, on management s representation that the financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America and on the representations of the independent auditors included in their report on the Company s financial statements. Our oversight does not provide us with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, our considerations and discussions with management and the independent auditors do not assure that the Company s financial statements are presented in accordance with accounting principles generally accepted in the United States, that the audit of our Company s financial statements has been carried out in accordance with generally accepted auditing standards or that our Company s independent accountants are in fact independent.

In this context, the Audit Committee reviewed and discussed with management the Company s audited financial statements as of and for the year ended December 31, 2001. The Audit Committee also met with representatives of PricewaterhouseCoopers LLP to discuss and review the results of the independent auditors examination of the financial statements for the year ended December 31, 2001 and the matters required to be discussed by the Statement on Auditing Standards No. 61 (Communication with Audit Committees). In addition, beginning with the quarterly report for the period ended June 30, 2001, the Audit Committee reviewed with management and representatives of PricewaterhouseCoopers LLP each 10-Q report prior to its filing with the SEC.

The Audit Committee has also received from PricewaterhouseCoopers LLP the written disclosures required pursuant to the Independence Standards Board Standard No. 1 (Independent Discussions with Audit Committees) addressing all relationships between the auditors and the Company that might bear on the auditors independence.

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Based upon the Audit Committee s discussions with management and the independent accountants, and the Audit Committee s review of the representations of management and the report of the independent accountants to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2001, to be filed with the SEC.

The Audit Committee

William J. Reilly, Chair
John E. Gould
James R. Scielzo

**Section 16(a) Beneficial Ownership Reporting Compliance**

Based upon reports filed by the Company with the SEC and copies of filed reports received by the Company, the Company believes all reports of ownership and changes in ownership of the Common Stock required to be filed with the SEC during 2001 by the Company s directors, officers and more than 10 percent stockholders, were filed in compliance with Section 16(a) of the Exchange Act.

**Executive Officers**

The following is a list of the Company s executive officers:

| Name | Age | Principal Occupation For Past Five Years |
|---|---|---|
| David G. Mazzella | 61 | President and Chief Executive Officer since 1997; Chief Operating Officer since 1997; Chairman since 1999. |
| Paul T. Babarik | 60 | Vice President of Sales since 1986. |
| Richard Elzinga | 60 | General Manager, Westlake, since 2000. For more than 5 years prior to joining Veramark, Mr. Elzinga was President of The Angeles Group, Inc. The Angeles Group was acquired by Veramark in January 2000. |
| Ronald C. Lundy | 50 | Treasurer since 1993. |
| Douglas F. Smith | 57 | Vice President, Operations, since 1999. Prior to 1999, Mr. Smith was the Director of Operations for Veramark. |

There are no family relationships between any of the directors or executive officers of the Company.

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**Executive Compensation**

The following table summarizes, for the fiscal years ended December 31, 2001, 2000 and 1999, the compensation paid or accrued to the Company s Chief Executive Officer and four other executive officers whose cash compensation exceeded $100,000 during 2001 (the Named Executives ).

| Name and Principal Position | Year | Annual Compensation: Salary ($) | Annual Compensation: Bonus ($) | Long Term Compensation Awards: Securities Underlying Options | Other Annual Compensation ($)(1) |
|---|---|---|---|---|---|
| David G. Mazzella | 2001 | 255,269 | 0 | 300,000 | 20,698 |
| President, Chief Executive Officer, | 2000 | 299,519 | 0 | 100,000 | 20,708 |
| Chairman of the Board | 1999 | 275,000 | 175,000 | 0 | 21,361 |
| Richard Elzinga | 2001 | 168,362 | 0 | 100,000 | 11,695 |
| General Manager | 2000(2) | 172,000 | 0 | 100,000 | 11,520 |
| Westlake | | | | | |
| Robert L. Boxer | 2001(3) | 120,030 | 0 | 125,000 | 11,903 |
| Vice President, General | 2000 | 159,423 | 0 | 75,000 | 12,558 |
| Counsel, Corporate Secretary | 1999 | 129,712 | 69,000 | 25,000 | 13,540 |
| Paul T. Babarik | 2001 | 117,750 | 0 | 100,000 | 15,673 |
| Vice President, Sales | 2000 | 134,615 | 0 | 60,000 | 15,268 |
| | 1999 | 114,808 | 69,000 | 25,000 | 14,833 |
| Douglas F. Smith | 2001 | 105,946 | 0 | 32,500 | 12,576 |
| Vice President, Operations | 2000 | 119,808 | 0 | 20,000 | 12,362 |
| | 1999 | 109,750 | 42,000 | 5,000 | 13,432 |

(1) Includes (i) automobile allowance provided by the Company; (ii) life insurance premiums paid by the Company; (iii) the Company s contributions to its 401(k) Plan for the Named Executive s benefit; and (iv) medical expense reimbursement paid by the Company for the Named Executive s benefit.

(2) Mr. Elzinga began his employment with the Company in January 2000.

(3) Mr. Boxer resigned from the Company in November 2001. The amounts for 2001 represent his compensation information through November 2001.

**Employment Agreement**

The Company has an employment agreement with David G. Mazzella to serve as President, Chief Executive Officer and a Director of the Company until December 31, 2004. The agreement provides for a minimum gross salary of $300,000 per year. Pursuant to the agreement, in the event of a change in control of the Company, or in the event Mr. Mazzella s management responsibilities are materially diminished, the agreement may be terminated at Mr. Mazzella s option and he will be entitled to separation pay in a lump sum equal to three times his aggregate annual compensation (including salary, bonus and benefits). In addition, unless otherwise provided pursuant to specific option grant, all of his options to purchase stock of the Company will immediately vest at 50% of the original option price and be exercisable for the option s original term. For purposes under the agreement, a change in control of the Company may occur through a sale, merger, consolidation, sale of substantially all assets, the acquisition of more than 20% of the securities of the Company directly or indirectly by any person or entity, or a change within two years of a majority of the Board of Directors.

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**Retirement Benefits**

The Named Executives listed below are participants in an unfunded defined benefit retirement plan of the Company. The amount of the retirement benefit, payable from age 65, will vary depending upon length of service, retirement age and average salary. For Mr. Mazzella the benefit will equal 45% to 60% of the average of his three highest years of compensation depending upon his age at retirement. Mr. Mazzella s retirement benefit is payable for fifteen years. For the other Named Executives the annual benefit will be between 20% and 50% of average salary for the last three full fiscal years of employment with the Company and is payable until death.

Assuming continued employment with the Company until age 65 with average salary increases of 3% per year, the following table indicates the projected retirement benefit at age 65 for each of the Named Executives who are eligible and vested under the Company s retirement plan:

| Name | Current Age | Years of Service to Date | Annual Benefit at Age 65 |
|---|---|---|---|
| David G. Mazzella | 61 | 5 | $ 191,000 |
| Paul T. Babarik | 60 | 15 | $ 56,075 |

**Stock Options**

The Company has a stock option plan under which employees may be granted incentive stock options and non-qualified stock options to purchase the Company s Common Stock. All full-time employees of the Company and its subsidiary are eligible to receive stock options. The Compensation and Stock Option Committee of the Board of Directors administers the plan and makes all determinations with respect to eligibility, option price, term and exercisability, except that the option price on incentive stock options may not be less than 100% of fair market value on the date of grant and the term of any option may not exceed ten years.

*Stock Option Grants.* The following table gives information with respect to options granted to the Named Executives during the year ended December 31, 2001. The potential realizable value portion of the following table illustrates the gain that might be realized upon the exercise of the options immediately prior to the expiration of their term, assuming the specified compounded rates of appreciation of the Common Stock over the term of the option. Actual gains, if any, on the stock option exercises are dependent on the future performance of the Common Stock, overall market conditions, as well as the option holders continued employment through the vesting period. The amounts reflected in this table may not necessarily be achieved.

| | | Individual Grants | | | Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term | |
|---|---|---|---|---|---|---|
| Name | Number of Securities Underlying Options Granted | Percent of Total Options Granted to Employees in Fiscal Year | Exercise of Base Price ($/Sh) | Expiration Date | 5% | 10% |
| David G. Mazzella | 300,000(1) | 20.80% | $ 0.43 | 08/09/11 | $ 120,000 | $ 267,000 |
| Paul T. Babarik | 100,000(1) | 6.93% | $ 0.43 | 08/09/11 | $ 40,000 | $ 89,000 |
| Robert L. Boxer | 125,000(1) | 8.67% | $ 0.43 | 11/01/03 | $ 17,500 | $ 25,000 |
| Richard Elzinga | 100,000(1) | 6.93% | $ 0.43 | 08/09/11 | $ 40,000 | $ 89,000 |
| Douglas F. Smith | 32,500(1) | 2.25% | $ 0.43 | 08/09/11 | $ 13,000 | $ 28,925 |

(1) These options all become exercisable after August 9, 2002.

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*Stock Option Exercises and Year-End Values.* No options were exercised by the Named Executives during 2001. The following table shows the year end value of unexercised in-the-money options held by the Named Executives at the fiscal year end. Year end values are based upon the closing price of a share of Common Stock on NASDAQ on December 31, 2001 ($0.70).

| | Number of Unexercised Options at Fiscal | Value of Unexercised In-the-Money |
|---|---|---|